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ARIZONA CORPORATION COMMISSION

August 13, 2010

Lawrence V. Robertson, JR. Attorney At Law P.O. Box 1448 Tubac, Arizona 85646

RE: COMPLIANCE ITEM FROM GOODMAN WATER COMPANY, DOCKET NO.

W-02500A-06-0281, DECISION NO. 69404, DATED APRIL 16, 2007

Dear Mr. Robertson:

This letter is in response to your August 4, 2010, letter in connection with Staff's rate review of Goodman Water Company ("Company"). Specifically, Decision No. 56118 issued September 15, 1988, authorized the Company to incur \$527,400 in long-term debt. This authorization was about twenty years old before the Company signed a promissory note in the amount of \$527,400. Staff now has a copy of the loan documents the Company provided recently. This is to inform you that your loan agreement appears to fulfill that compliance requirement of Decision No. 69404.

Staff continues to recommend that the Company file a rate increase application as soon as may be practicable.

If you have any questions, please contact Brendan Aladi at (602) 542-0785, or toll free at (800) 222-7000.

Sincerely,

Nancy L. Scott

Chief, Financial & Regulatory Analysis Section

Nancy LAcott

Utilities Division

cc: 13 copies

Arizona Corporation Commission

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